



Brussels, 6.4.2022  
C(2022) 1931 final

ANNEX 3

**ANNEX**

*to the*

**Commission Delegated Regulation (EU) .../...**

**supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports**

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]

Legal entity identifier: [complete]

## Sustainable investment objective

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**What is the sustainable investment objective of this financial product?** *[indicate the investment objective pursued by the financial product, describe how the sustainable investments contribute to a sustainable investment objective and indicate whether a reference benchmark has been designated for the purpose of attaining the sustainable investment objective. For financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes. For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate that the financial product has the objective of reducing carbon emissions and explain that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011 and indicate where the methodology used for the calculation of that benchmark can be found. Where no EU Climate Transition Benchmark or EU Paris-aligned*

*benchmark has been designated for the purpose of attaining the sustainable investment objective. For financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes. For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate that the financial product has the objective of reducing carbon emissions and explain that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011 and indicate where the methodology used for the calculation of that benchmark can be found. Where no EU Climate Transition Benchmark or EU Paris-aligned*

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

Benchmark as qualified in accordance with Regulation (EU) 2016/1011 is available, describe that fact, how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the objectives of the Paris Agreement and the extent to which the financial product complies with the methodological requirements set out in Commission Delegated Regulation (EU) 2020/1818]

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- How have the indicators for adverse impacts on sustainability factors been taken into account? *[explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I are taken into account]*
- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? *[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*



**Does this financial product consider principal adverse impacts on sustainability factors?**



Yes *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*



No



**What investment strategy does this financial product follow?** *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

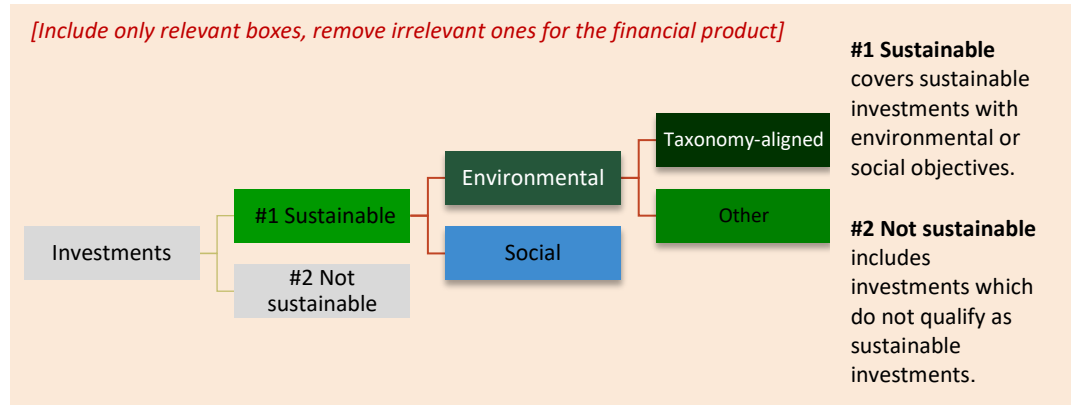
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**



**What is the asset allocation and the minimum share of sustainable investments?** *[include a narrative explanation of the investments of the financial product including the minimum proportion of the investments of the financial product used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy]*

**Asset allocation** describes the share of investments in specific assets.



*[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]*

- **How does the use of derivatives attain the sustainable investment objective?** *[for financial product that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain their sustainable investment objective, describe how the use of those derivatives attains that sustainable investment objective]*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** *[include the section for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 19(1), point (a), of this Regulation, the description referred to in Article 19(1), point (b), of this Regulation, the clear explanation referred to in Article 19(1), point (c), of this Regulation, the narrative explanation referred to in Article 19(1), point (d), of this Regulation and the information referred to in Article 15(4) of this Regulation]*

*[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]*

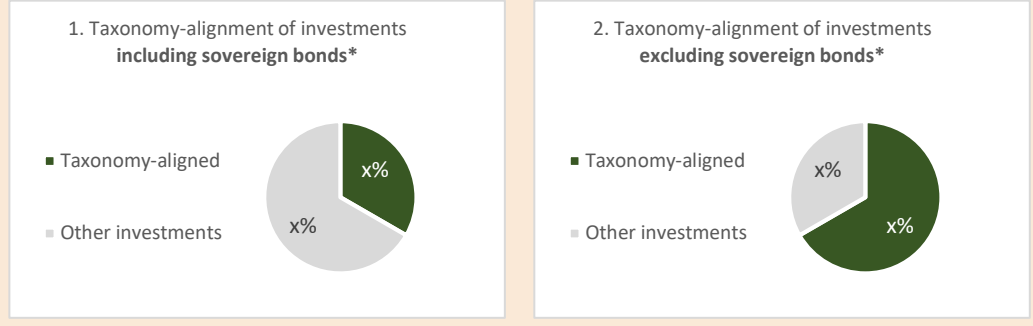
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*[include note for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*


 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.


**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**




*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

**● What is the minimum share of investments in transitional and enabling activities?**  
*[include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]*

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**  
*[include section only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in environmental economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

 **What is the minimum share of sustainable investments with a social objective?** *[include section only where the financial product includes sustainable investments with a social objective]*

 **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**  
*[describe the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging or relate to cash held as ancillary liquidity]*



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?** *[include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for the calculation of the designated index can be found]*

*[include note for financial products referred to in Article 9(1) of Regulation (EU) 2019/2088]*

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
- **How does the designated index differ from a relevant broad market index?**
- **Where can the methodology used for the calculation of the designated index be found?**



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*